

# Australian government seizes on trade union report to attack workers' conditions

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7 January 2016

The final report of the 21-month Australian Royal Commission into Trade Union Governance and Corruption was released on December 28. It has become the focal point of a campaign by the government, industry groups and the media for carrying out a fundamental transformation in Australian industrial relations, aimed at opening the way for a massive assault on the working class.

While the immediate target of the government-led campaign is the trade unions, that is not because they represent, or defend in any way, the interests of workers, a role that they ceased to play long ago. Rather, the move against union “corruption” is the thin end of the wedge for a broader campaign to dismantle the system of state regulation and arbitration of industrial relations, in which the trade unions have formed an integral component since the early 20th century. This is aimed, above all, at clearing the way for the dismantling of key remaining employee protections, such as penalty rates and restrictions on working hours, as well as for imposing real wage cuts. To the extent that the trade union apparatuses continue to base their material interests on relations bound up with state arbitration, they are viewed by sections of the ruling elite as an obstacle to this agenda.

In a press conference on December 30, Liberal/National Coalition Prime Minister Malcolm Turnbull announced that the government would be pursuing the commission’s recommendations through legislation in parliament. Turnbull declared that he would make the legislation an election issue if Labor and the Greens blocked it in parliament. The recommendations include other far-reaching attacks on the working class, such as boosting police powers and reinstating the Howard-era Australian Building and Construction Commission, an industrial police force with the power to interrogate and prosecute workers in the construction industry, and levy huge fines against individuals and organisations involved in “illegal” industrial action.

At the same time, the recommendations also contain measures aimed at curbing the power and material interests of the trade union bureaucracies. The government is seeking the power to block individuals from holding office within the trade unions, and restrict the right of union officials to enter company premises. It also wants to make it illegal for companies and

unions to specify, as part of an enterprise bargaining agreement, the superannuation fund into which employees’ retirement savings will be funnelled.

This would be a major blow to the many union officials who sit on the boards of some of these funds—called industry superannuation funds—alongside their corporate partners. It has been estimated, for example, that the multi-billion dollar industry fund Cbus receives 20 percent of its revenue from agreements covering workers in the construction sector, courtesy of the unions.

The report also includes referrals for legal action against 93 individuals and organisations, including 43 recommendations for criminal investigation, mostly against trade union officials, the Australian Workers Union (AWU) and Construction, Forestry, Mining and Energy Union (CFMEU). There are also referrals against 11 current and former executives and managers from eight companies, as well as against the building construction companies Thiess John Holland and Winslow.

Indeed, the cases documented in the commission report, far from being the result of individual “corruption,” are the consequence of the transformation of the trade unions into a virtual arm of corporate management, utterly hostile to the workers they claim to represent. These cases include corporate kickbacks of millions of dollars in exchange for sweeping cutbacks to the conditions of the unions’ own members, and the suppression of industrial action. Such instances are often covered up by bogus invoices issued by the unions. Virtually all the major trade unions are involved: the AWU, the CFMEU, the Transport Union of Workers, the National Union of Workers, the Health Services Union, the Electrical Trade Union and the Maritime Union of Australia.

Moreover, while there is certainly no lack of individual corruption among union officials, this only expresses, on a smaller scale, the criminality, greed and swindling that characterises their masters at the heights of capitalist society.

The trade unions have always defended the framework of capitalism and the system of wage-labour upon which it is based, and suppressed any independent struggle by the working class against capitalist rule. In previous periods, however, they maintained their positions and privileges by pressuring employers and governments for limited improvements in

workers' wages and conditions. However, with the globalisation of production from the 1980s onwards, which shattered any objective basis for national economic regulation, the unions' nationalist and pro-capitalist program meant that their role became centred, not on pressuring employers and governments for reforms, but on boosting the "international competitiveness" of Australian businesses and corporations through lowering wages, conditions and rights of their workers.

Today, the unions function not as workers' organisations in any sense of the term, but as labour-management businesses offering their services to the major corporations as a reliable means for controlling their employees. After decades of betrayals, union membership has collapsed from 40 percent in 1992 to just 15 percent today.

As a result, the income of the bloated union apparatus has become almost entirely divorced from the amount it receives from union dues. In addition to their positions on the boards of multi-billion dollar superannuation funds, union executives rely for their six-figure salaries on payments made directly by companies, as well as income derived from so-called worker income insurance schemes. As an article published yesterday in the *Business Spectator* noted, "unions have twice as many officials (4,000) than they did in 1975 with only half the membership (1.6 million).

That is why, far from denying the commission's revelations of their intimate collaboration with big business, the trade unions have defended their role and argued that the major corporations should continue to utilise their services. This was underscored by Labor opposition leader Bill Shorten, who appeared on national television in June this year to defend his former role as national secretary of the Australian Workers Union from 2001-2007. During that time his union entered into enterprise agreements with various companies that signed away workers' basic entitlements, including legally required penalty rates. Shorten justified these deals in the name of "modern" trade unionism.

At least for now, Shorten has not been charged with any criminal activity. Instead, Labor MP Cesar Melham, who was Shorten's subordinate in the AWU and later his successor as secretary, has been referred to investigators for 11 separate instances of alleged misconduct.

Significantly, however, Attorney-General George Brandis specifically referred to Shorten in last Thursday's press conference, and announced that police investigations would be extended until the end of 2016. Brandis added: "whether those investigations ... disclose matters that touch directly on Mr Shorten is a matter that awaits to be seen."

Big business is demanding that Shorten sever Labor's connections with the trade unions, which continue to exert, through factional powerbrokers and massive financial donations, influence inside the party. This is aimed at transforming the Labor Party into an even more pliable and open instrument of the financial elite, unhindered by the

sectional interests of the unions. The commission's decision not to cite Shorten for charges appears to be a highly political one: he has been given the opportunity to carry out this agenda, but with the threat of potential criminal investigations still hanging over him.

The response to the commission report within ruling circles points to the deep political crisis confronting the Turnbull government. They are expressing enormous frustration over the inability of the government, like its predecessors, to carry out the type of austerity spending cuts and industrial deregulation needed in order to catch up and complete with those already imposed on workers in Europe and the United States.

The Labor Party, no less than the Turnbull government, is determined to carry through this agenda. It speaks for those sections of the ruling elite who prefer to utilise the services of the trade union bureaucracy, to which the Labor Party is historically and materially wedded. Other sections of the corporate world have concluded that, under conditions of the complete discrediting of the trade unions in the eyes of the working class, it is necessary to dispense with them altogether.

Underscoring these conflicts, an editorial in the Fairfax-owned *Age* newspaper published on December 30 called for the trade unions to "reform" or risk "continuing their slide into irrelevance." Underlying this appeal is deep concern about the unions' transformation. For three decades, the trade unions have suppressed or betrayed every open manifestation of independent opposition in the working class to the endless corporate offensive against jobs and conditions. As a result, the vast majority of workers today view them with deep hostility and suspicion. This points to the fact that, under conditions of the deepening economic crisis confronting Australian and world capitalism, the resurgence of working class struggle will take a particularly explosive character, and will begin to develop independently of and in opposition to the trade unions.



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